

SIKKIM



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**MINES, MINERALS AND GEOLOGY DEPARTMENT
GOVERNMENT OF SIKKIM
TASHILING GANGTOK- 737101
EAST SIKKIM**

No. 01/DMMG/16-17

Dated:- 28.09.2016

NOTIFICATION

In exercise of the powers conferred by section 15 of the Mines and Minerals (Development and Regulation) Act, 1957, the State Government hereby makes the following rules for regulating the grant of Quarry Lease, mining leases and other mineral concessions in the respect of minor minerals and for the purposes connected therewith, namely:-

CHAPTER I

PRELIMINARY

**Short title,
extent and
commencement**

1. (1) These rules may be called the Sikkim Minor Mineral Concession Rules, 2016.
- (2) They shall extend to the whole of Sikkim.
- (3) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. In these rules, unless the context otherwise requires:-----
 - (a) "Act" means the 'Mines and Minerals (Development and Regulation) Act, 1957;
 - (b) "Building stones" includes sand stone, quartzite, schist, limestone, bajri, marble, dolomite, slate and shale when used as building material;
 - (c) "Competent Authority" means Principal Secretary, Commissioner, Secretary of the department or any other Authority appointed by the State Government, by notification;
 - (d) "Dead Rent" means a rent payable for every year of the lease of the Minor Minerals. The date of commencement of the year will be the date of execution of the lease deed;

- (e)** "Department" means Mines Minerals and Geology Department, Government of Sikkim;
- (f)** "Form" means a form appended to these rules;
- (g)** "Government" means the State Government of Sikkim;
- (h)** "Mining" means an activity to extract minor minerals by surface quarrying or by underground methods, by scrapping, digging, picking, boring or by any other means;
- (i)** "Mining lease" means a lease granted to mine, quarry, bore, dig or search for the purpose of win, work and carry away any minor mineral specified therein;
- (j)** "Mining permit" means a permit granted for extraction and removal of specified quantity of any minor mineral from a specified area;
- (k)** "Minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes and any other minerals which the Central Government has declared from time to time or may declare, by notification in the Official Gazette, to be a minor mineral, under clause (e) of section 3 of the Mines and Minerals (Regulation and Development) Act, 1957;
- (l)** "Mining Officer" means Officer of the department appointed by the Government having jurisdiction over the area concerned as may be fixed by the Government from time to time to ensure enforcement of rules and regulations;
- (m)** "Public works" means public roads, public buildings, reservoirs, irrigation canals, village paths, tanks, etc;
- (n)** "Schedule" means the Schedule appended to these rules;
- (o)** "Section" means the section of the Act;
- (p)** Words and expressions used and not defined in these rules, but defined in the Act shall have the same meanings as are respectively assigned to them in the Act;

CHAPTER - II

Prohibition of mining or quarrying operations without mining lease or mining permit

3. (1) Notwithstanding anything contained in any Act, rule or regulation, no person shall undertake any mining or quarrying operations in any area except under and in accordance with the terms and conditions of a mining lease or mining permit, as the case may be, granted in accordance with the provisions of these rules:

Provided that nothing in this sub-rule shall affect any mining operations undertaken in any area in accordance with the terms and conditions of a lease/permit granted before the commencement of these rules, which is in force at the time of such commencement.

- (2) No mining lease or mining permit shall be granted in respect of minor minerals otherwise than in accordance with the provisions of these rules.

Restrictions on the grant of mining lease or mining permit

4. (1) No mining lease/permit shall be granted to a person who is not a citizen of India and who is not a bonafide resident of Sikkim unless prior approval of the Government has been obtained.
- (2) No mining lease/permit shall be granted in respect of any land notified by the State Government as reserved for the use of the Government, local authorities or for any other public or for special purposes such as within the vicinity of National Highway except with the previous approval of the State Government.
- (3) No mining lease or permit shall be granted in reserved and protected forest areas without clearance from the State Forest Department.

CHAPTER - III

GRANT OF MINING LEASE

Power to grant mining lease

5. (1) A mining lease in respect to private land shall be granted by the Competent Authority or any other Mining Officer authorized by him on his behalf in respect of the minor minerals and its uses specified in the First Schedule.
- (2) A mining lease in respect to Forest land shall be granted by the Competent Authority or any other Mining Officer authorized by him on his behalf in respect of the minor minerals and its uses specified in the First Schedule after obtaining the approval of the Forest Department.

Application for grant of mining lease

6. (1) An application for grant of a mining lease shall be made to the Competent Authority or his authorized Mining Officer in respect of minor minerals in Form A.
- (2) Every application for the grant of renewal of the mining lease shall be accompanied by:-

(a) a fee of Rs. 500/- (Five hundred)only;

(b) a valid clearance certificate on payment of mining dues such as royalty, dead rent, surface rent, etc. payable under the Act or the rules made there under from the Competent Authority or his authorized Mining Officer;

Provided that where a person has furnished an affidavit to the satisfaction of the Competent Authority or his authorized Mining Officer that he does not hold or has not held a mining lease/permit, it will not be necessary for him to produce the said valid clearance certificate; Provided further that where any injunction has been issued by a court of law or any other Competent Authority staying the recovery of any such mining dues, the non- payment thereof shall not be treated as disqualification for the purpose of granting or renewing the said mining lease; Provided also that grant of clearance certificate under clause (b) shall not discharge the holder of such certificate from the liability to pay the mining dues which may subsequently be found to be payable by him under the Act or the rules made thereunder;

(c) a deposit of Rs. 500/- (Rupees five hundred) only for meeting the preliminary expenses in connection with the grant of mining lease;

(3) The Competent Authority or his authorized Mining Officer may, for reasons to be recorded in writing, relax the provisions of clause (b) of sub-rule (2);

(4) In the case of private land, recommendation of the Gram Sabha or the Panchayats of the area in case where the area falls under Scheduled Area as per the clause (1) of article 244 of the constitution of India.

- Acknowledgement of application** 7. (1) Where an application for the grant or renewal of a mining lease is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged within 7 (seven) days of receipt.
- (3) The receipt of every such application shall be acknowledged in Form-C and be registered in Form-D
- Disposal of application for mining lease** 8. (1) An application for the grant of a mining lease shall be disposed off within 6 (six months) from the date of its receipt after making such inquiries as the Competent Authority may deem fit.
- (2) If an application is not disposed of within the period specified in sub-rule (1), it shall be deemed to have been refused.
- Renewal of mining lease** 9. (1) An application for the renewal of mining lease shall be made to the Competent Authority or his authorized Mining Officer in Form-B before 90 (ninety days) of the date of expiry of the existing lease.
- (2) An application for renewal of mining lease shall be disposed of before the expiry of the existing lease period, after making such inquiries as the Competent Authority may deem fit.
- (3) If an application is not disposed of within the period specified in sub-rule (2), it shall be deemed to have been refused.
- Refusal of application for grant of renewal of** 10. The Competent Authority or his authorized Mining Officer may, for reasons to be recorded in writing, refuse to grant or renew a mining lease over the whole or part of the area applied for.
- Refund and forfeiture, etc.** 11. (1) Where an application for grant or renewal of a mining lease is refused or deemed to have been refused, the fee paid by the applicant under clause (a) of sub-rule (2) of rule 6 shall be refunded to him.
- (2) Where the whole or any part of the amount deposited under clause (c) of sub-rule (2) of rule 6 has not been expended for the purposes specified in rule 18, it shall be refunded to the applicant.
- (3) Notwithstanding anything contained in sub-rule (1), where an application for grant or renewal of mining lease is rejected on account of any lapse on the part of the application in supplying any material information required, the fee paid by the applicant shall be forfeited to the State Government.
- Period of mining lease and renewal** 12. (1) The period for which a Mining Lease be granted or renewed shall not ordinarily be more than 2 (two) years but if the Competent Authority considers that a longer period of lease is necessary for proper development and economic exploitation of the mines and working on a large scale, he may grant or renew the lease for a period not exceeding 5 (five) years with the prior approval of the State Government.

	<p>(2) A mining lease may be renewed for 2 (two) periods each not exceeding the period for which the lease was originally granted.</p> <p>(3) Notwithstanding anything contained in sub-rule (2), if the Competent Authority is of the opinion that in the interest of mineral development is necessary to do, he may, for reasons to be recorded in writing, renew a period for which the lease was originally granted.</p>
Submission of mining plan	<p>13. When a mining lease is granted under these rules, the lessee shall submit a mining plan to scale to the Department and get it duly approved by the Competent Authority for the lease area so granted prior to the execution of the lease deed under rule 18. The Mining Plan shall contain ;</p> <p>(1) the plan of the area showing as accurately as possible the location, boundaries and area of the land in respect of which mining lease has been granted, natural water sources, forest areas, assessment of impact of mining activity on forest, land surface and environment including air and water pollution;</p> <p>(2) the plan of the area showing spot or spots where the excavation is to be done in the year and its extent; a tentative scheme of mining year-wise for the subsequent years of the lease;</p> <p>(3) the extent of manual mining or mining by use of machinery and mechanical devices;</p> <p>(4) the details or scheme for restoration of the areas by afforestation, land reclamation, use of pollution control, devices and such other measures as may be directed by the Competent Authority from time to time; and</p> <p>(5) any other matter which the Competent Authority may require the applicant to provide in the mining plan.</p>
Mining operations to be in accordance with mining plan	<p>14. (1) Mining operations shall be undertaken in accordance with the duly approved mining plan referred to in rule 13.</p> <p>(2) A Mining Plan may be modified with the prior approval of the Competent Authority during the operation of a mining lease.</p>
Minor mineral which does not demand mining plan	<p>15. Mining Plan under rule 13 shall not apply in case of the grant or renewal of mining lease/permit in respect of minor minerals like ordinary sand, gravel, lime kankar, pebbles, etc. extraction of which does not involve use of machineries. However, a site plan showing the area proposed for extraction of the minor mineral should be submitted.</p>
Conditions of mining lease	<p>16. (1) Every mining lease shall be subjected to the following conditions, namely : -</p>

- (a) The lessee shall pay royalty on the minor mineral/minerals extracted by him from the lease area at the rates specified in the Second Schedule at such times and in such manners as the Competent Authority may prescribe.
- (b) The lessee shall submit to the Competent Authority or his authorized Mining Officer a quarterly royalty statement in Form - I by the 15th April, 15th July, 15th October, 15th January for the preceding quarters ending on 31st March, 30th September and 31st December respectively.
- (c) The lessee shall report to the Competent Authority the discovery in the leased area of any minerals not specified in the lease, within 30 (thirty) days of such discovery.
- (d) If any mineral not specified in the lease is discovered in the leased area, the lessee shall not win and dispose of such minerals unless such mineral is included in the lease or a separate lease is obtained thereof.
- (e) The lessee shall pay, for every year except the first year of the lease, such yearly dead rent at the rates specified in the Third Schedule, and if the lease permits the working of more than one mineral in the same area, the Government shall not charge separate dead rent in respect of each mineral.
- (f) The lessee shall also pay, for the surface area used by him for the purpose of mining operations, surface rent at such rate not exceeding the land revenue, as may be specified by the State Government in the lease.
- (g) The lessee shall not employ, in connection with the mining operations, any person who is not an Indian National, except with the previous sanction of the Central Government.
- (h) Unless the Competent Authority or his authorized Mining Officer for sufficient cause permits otherwise, the lessee shall commence mining operation within 6 (six) months from the date of execution of the lease and shall thereafter conduct such operations in a proper skillful and workman like manner and shall not work it in such a manner as may prove dangerous to human life or cattle or other livestock or agricultural land or forest land or both government or private properties viz. building, structures, roads etc.

Explanation:

For the purpose of this clause, mining operations shall include the erection of machinery, laying of tracks or construction of roads in connection with the working of the mine.

- (i) The quality of minor minerals to be used for construction purposes shall confine as per the specification of Indian Standard (IS) codes.

- (j) The lessee shall at his own expense erect and at all times maintain and keep in good condition boundary marks and pillars, where necessary to indicate the demarcation shown in the plan annexed to the lease.
- (k) The lessee shall not carry on or allow to be carried on, any mining operations at any point within a distance of 50 (fifty) metres from any railway line if any, except under and in accordance with the written permission of the railway administration concerned, 50 (fifty) metres from any reservoirs, canals or other public works, or buildings, 60 (sixty) metres from bridges on highways except under and in accordance with the previous permission of the Competent Authority.
- (l) The lessee shall keep correct accounts showing the quantity and other particulars of all minor minerals obtained and despatched from the mine date-wise, the prices obtained for such minerals, the number and nationality of persons employed therein, and shall allow any officer authorized by the competent authority to examine at any time any account, plan and record maintained by him and shall furnish the Competent Authority or other Officers authorized by the Competent Authority with such information, plans and return as it may be required.
- (m) The lessee shall allow any officer authorized by the State Government or the Competent Authority to enter upon any building, excavation or land comprised in the lease for the purposes of inspecting the same.
- (n) The Competent Authority shall at all times have the right of pre-emption of the minerals won from the land in respect of which lease has been granted : Provided that the fair market price prevailing at the time of pre-emption shall be paid to the lease for all such minerals.
- (o) The lessee shall submit an annual return on minerals extracted, despatched, royalty paid, etc., in Form-J to the Competent Authority as the case may be by the 20th of April for the preceding financial year.
- (p) The lessee shall without delay send to the Competent Authority or his authorized Mining Officer a report of injury to any person which may occur in or around the quarry/mine and shall observe all rules in force regulating the working of quarries/mines.
- (q) The lessee shall strengthen and support to the satisfaction of the railway administration concerned or the State Government as the case may be any part of the mine/quarry which in its opinion requires such strengthening on support for the safety of any railway, reservoir canal, road, bridge or any public works or buildings.
- (r) The lessee shall not pay to his worker a wage less than the minimum wage prescribed by the Central or State Government from time to time under the Minimum Wages Act, 1948.

- (s) The lessee shall take adequate measures for planting in the same area or any other area selected by the Competent Authority not less than twice the number of trees destroyed by reason of any mining operation or to the extent possible, the restoration of flora and fauna and other vegetation destroyed by such operations.
 - (t) The lessee shall pay to the owner or the surface of the land such compensation as may become payable under these rules.
- (2) When a mine is opened or closed or there is change of agent or manager, the lessee shall forthwith communicate the actual date opening or closing or change as the case may be in writing in Form-K to the Competent Authority.
 - (3) A mining lease may contain such other conditions as the Competent Authority may deem necessary in regard to the following, namely:-
 - (a) the time limit, mode and place of payment of rents and royalty;
 - (b) the compensation for damage to the land covered by the lease;
 - (c) the felling of trees;
 - (d) the restriction of surface operations in any area prohibited by any authority;
 - (e) the notice by lessee for surface occupation;
 - (f) the provision of proper weighing machines;
 - (g) the facilities to be given by the lessee for working other minerals in the leased area or adjacent area;
 - (h) the entering and working in a reserved or protected forest;
 - (i) the securing of pits and shafts;
 - (j) the indemnity to Government against claims and third parties;
 - (k) the maintenance of hygienic conditions in the mining areas;
 - (l) the delivery of possession of lands and mines on the surrender, expiration or determination of the lease;
 - (m) the forfeiture of property left after determination of lease;
 - (n) the power to take possession of plant, machinery, premises and mines/quarry in the event of war or emergency.
 - (4) If the Competent Authority is of the opinion that in the interest of mineral development it is necessary so to do, he may in any case, with the previous approval of the State Government impose such further conditions as he thinks fit.
 - (5) If the lessee does not allow entry for inspection under clause(m) of sub-rule (1), the State Government or the Competent Authority shall

such time as may be specified in the notice why the lease should not be terminated and his security deposit forfeited; and if the lessee fails to show cause within the aforesaid time to Government or Competent Authority as the case may be, may terminate the lease and forfeit the whole or part of the security deposit.

- (6) If the lessee makes any default in payment of royalty or dead rent or surface rent under clause (a), (e) or (f) of sub-rule(1) or commits a breach of any of the conditions other than those referred to in sub-rule (5), the Competent Authority shall give notice to the lessee requiring him to pay the royalty or remedy the breach, as the case may be, within 30 (thirty) days from the date of receipt of the notice and if the royalty or dead rent or surface rent is not paid or the breach is not remedied within such period, the competent Authority may, without prejudice to any proceeding that may be taken against him, determine the lease and forfeit the whole or part of the security deposit.

**Preferential rights
of certain persons
for mining lease**

17. (1) Whenever more than one applications are received for grant of a mining lease, the Competent Authority or his authorized Mining Officer shall dispose of the applications in order of preference as specified below :-

- (a) applications of Government Department, Government Corporations and Government Companies;
- (b) application of Labour Contract Co-operative Societies;
- (c) other applications;

- (2) Where two or more persons other than those mentioned at clause (a) and (b) of sub-rule(1) have applied for a mining lease in respect of the same land, the applicant whose application was received first shall have a preferential right for the grant of the lease over others.

Provided that where any such applications are received on the same day, the Competent Authority, after taking into consideration the matters specified in sub-rule (3), may grant the mining lease to such one of the application as he deem fit.

- (3) The matters referred to in sub-rule (2) are the following:-
- (a) any special knowledge of or experience in mining or quarrying in operation as possessed by the applicant;
 - (b) the financial resources stability of the applicant;
 - (c) the nature and quality of technical staff employed or to be employed by the applicant;
 - (d) the end use the mineral by the applicant; such other matters as may be determined by the State Government.
- (4) The Competent Authority may, for special reasons to be recorded in writing and with the previous approval of the State Government, grant

a mining lease to an applicant whose application was received later in preference to an applicant whose application was received earlier.

Lease to be executed within three months

18. (1) Where on an application for grant of mining lease an order has been made for grant of such lease, and thereafter a mining plan duly approved by Competent Authority is submitted to the Competent Authority, a lease deed in Form F shall be executed within 3 (three) months of the order or within such further period as the competent Authority may allow in this behalf. If no such lease deed is executed within the said period due to any default on the part of the applicant, the Competent Authority or his authorized agents may revoke the order granting the lease and in that event, the application fee shall be forfeited to the State Government.
- (2) The date of the commencement of the period for which a mining lease is granted shall be the date on which the deed is executed under sub-rule (1)

Security deposit

19. An applicant for a mining lease shall, before the deed referred to in rule 18 is executed, deposit as security for the due observance of the terms and conditions of the lease, a sum equal to twenty five percent of the annual dead rent or annual lease amount of the leased area subject to minimum of Rs.2000 (rupees two thousand) only by way of TDR at State Bank of Sikkim duly pledged in favour of the Competent Authority. No interest shall be payable on such security deposit.

Survey of the leased area

20. When a mining lease is granted by Competent Authority, arrangements shall be made by the Competent Authority at the expense of the lessee for the survey and demarcation of the area granted under the lease, as and when it is deemed necessary.

Rights of the lessee

21. Subject to the conditions mentioned in rule 16, the lessee in accordance with the lease deed executed under rule 18 in respect of the land leased to him shall have the right for the purpose of mining/quarrying operation on that land to mine/quarry, to erect plant and machinery, to construct temporary sheds and roads, to use land for stocking purpose; to use water, sell or dispose of the minor minerals specified in the lease deed

Maximum area for which mining lease may be granted

22. No person shall acquire in the State in respect of any minor mineral, one or more mining leases covering a total area of not more than 20 hectares. Provided that if the State Government deems it necessary to do so, it may for reasons to be recorded, permit any person to acquire more mining leases covering an area in excess of the aforesaid maximum area.

Length and breadth of area leased

23. Except in case of minor minerals like ordinary sand, gravel, lime shell, lime kanker, pebbles, murrum etc., the length of an area granted under a mining leases shall not exceed four times its breadth. Provided that in case of bedded deposits, the length may not be more than twice the breadth measure along the dip.

Boundaries below the surface	24. The boundaries of the area covered by a mining lease shall run vertically downward below the surface to the centre of the earth.
Lapsing of leases	<p>25. (1) Subject to the other conditions of these rules where mining operations are not commenced within a period of 6 (six) months from the date of execution of the lease or is discontinued for a continuous period of 6 (six) months after such operations, the Competent Authority or his authorized Mining Officer shall, by an order, declare the mining lease lapsed and communicate the declaration to the lessee.</p> <p>(2) Where a lessee is unable to commence the mining operation within a period of 6 (six) months from the date of execution of the lease deed, or discontinues mining operations for a period exceeding 6 (six) months for reasons beyond his control, he may submit an application to the Competent Authority explaining the reasons for the same, at least 2 (two) months before the expiry of such period.</p> <p>(3) Every such application under sub-rule (2) shall be accompanied by a fee of one hundred rupees.</p> <p>(4) The Competent Authority may, on receipt of an application made under sub-rule (2) and on being satisfied about the adequacy and genuineness of the reasons of the non-commencement of mining operations or discontinuance:</p> <p>Provided that where the Competent Authority on receipt of an application under sub-rule (2) does not pass an order before the expiry of the date on which the lease would have otherwise lapsed, the lease shall be deemed to have been extended until the order is passed by the Competent Authority or until a period of 6(six) months, whichever is earlier.</p>
Explanation :	<p>Where the non-commencement of the mining operations within a period of 6(six) months from the date of execution of lease deed is on account of delay in :-</p> <p>(a) acquisition of surface rights; or</p> <p>(b) getting the possession of the leased area; or</p> <p>(c) supply and installation of machinery; or</p> <p>(d) getting financial assistance from banks or any financial institutions; and the lessee is able to furnish documentary evidence in support of his application, the Competent Authority may consider whether they are sufficient reasons and/or beyond control of the lessee for the non-commencement of operations;{(</p> <p>e) In the event of natural disaster.</p>
Registratiion of mining lease	26. A mining lease granted under these rules shall be registered in Form – E.
Right to terminate lease	27. (1) The competent Authority may at any time terminate a lease for reasons to be recorded in writing in the event of contravention, on the part of the lessee, in compliance of any of these rules or Act.

CHAPTER - V

MINING PERMIT

Grant of mining permit

31. (1) On an application made to him, the Competent Authority may grant a mining permit in Form - L to any person to extract and remove from any specified land any minor mineral not exceeding three thousand cubic metres in quantity under any one permit on pre-payment of royalty at the rates specified in Second Schedule. Before granting such permit, the Competent Authority shall satisfy himself that the requirement of the permit is genuine and that it does not obviate the necessity of obtaining a mining lease in the area in respect of which of the permit for extraction of the minerals has been applied for.
- (2) The Competent Authority may refer the issue of such permits for reasons to be recorded by him in writing.

Application for mining permits

32. (1) An application for mining permit shall be made in Form-M and shall be accompanied by -
- (i) a fee of Rs.500 (Rupees Five Hundred) only;
 - (ii) a valid up-to-date clearance certificate of Mining dues, if any, from the Competent Authority.
- (2) Every application of a mining permit shall, if the lands from which minor mineral is to be extracted are lands other than Government land, be accompanied by a written consent from the owner/occupant of such land to the effect that has no objection to the extraction of the minerals by the applicant.
- (3) Every application for the extension of the period of the permit shall be accompanied by a fee of Rs.500 (Five Hundred) only.
- (4) The area applied for the grant of the mining permit shall be in compact block covering not more than four hectares.

Disposal of application for mining permits

33. (1) An application for the grant of mining permit shall be disposed off by the Competent Authority within 30 (thirty) days of the receipt.
- (2) If any application is not disposed off within the time specified in sub-rule (1), it shall be deemed to have been rejected; Provided that the Competent Authority may consider to dispose the application after the said period of 30 (thirty) days but not exceeding 60 (sixty) days from the date of receipt of the application.

Condition on which the mining permit shall be granted

34. (1) Every mining permit granted under rule 31 shall contain a condition the depth of digging pits beyond three meters the permit holder shall obtain the permission of the Competent Authority.
- (2) Any mining permit granted under rule 31 may contain such other condition as the Competent Authority may deemed necessary in regard to the following matters, namely :-
- (a) time limit, mode and place of payment of rents and royalties;

- (b) compensation for damage to the land covered by the permit;
 - (c) felling of trees in consultation with the State Forest department in case of forest areas;
 - (d) restriction on surface operation in any area prohibited by any authority;
 - (e) reporting of accidents;
 - (f) indemnity to Government against claims of third parties;
 - (g) period within which the minor mineral shall be extracted and removed and delivery of possession over lands on expiry of such period or on the removal of the quantity of the minor mineral for which the permit is valid;
 - (h) forfeiture of property left after cancelling of the permit; and
 - (i) disposal of mineral in stock at the site after expiry of the permit; (
- (3) In case of breach of any of the conditions subject to which the permit is granted, the Competent Authority may cancel the permit and the quarried mineral lying on the land from which they are extracted shall become the absolute property of the Government and may be sold by public auction by the Competent Authority.
- (4) The Competent Authority after such inquiry and verification, as they may deem necessary, shall assess the amount of royalty and penalty for the excess quantity at the end of the prescribed period.

CHAPTER - VI

REVISION

Application for revision

35. (1) Any person aggrieved by an order made by the Act or these rules may, within 2 (two) months of the date of communication of the order to him apply to the Department in duplicate in Form - N for revision of the order. The application should be accompanied by a Treasury Receipt showing that a fee of Rs. 100 (Rupees one hundred) has been paid into the government Treasury;

Provided that any such application may be entertained after the said period of 2 (two) months, if the application satisfied the State Government that he had sufficient cause for not making the application within the specified time.

- (2) In every application under sub-rule (1) against the order of refusing to grant a mining lease, any person to whom a mining lease was granted in respect of the same area or for a part thereof, shall be impleaded as a party.
- (3) Along with the application under sub-rule (1), the applicant shall submit as many copies as thereof, shall be impleaded under sub-rule (2).
- (4) On receipt of the application and the copies thereof, the State Government shall send a copy of the application to each of the parties impleaded under sub-rule (2) specifying a date on or before which he may make his representation, if any, against the revision application filed under sub-rule (1)

Order on revision application

36. On receipt of an application for revision under rule 35, the State Government shall confirm , modify or set aside the order or pass such other order in relation thereto as it may deem just and proper. Any order passed by the State Government under revision petition shall be final and binding on the parties.

Opportunity for being heard

37. No order under rule 36 shall be passed against any person interested unless he has been given an opportunity to represent his case and being heard.

Stay of order

38. Notwithstanding anything contained in rule 37, the State Government may, for sufficient cause, say the execution of the order against which a revision application is pending for final disposal.

CHAPTER - VII
MISCELLANEOUS

**Power to
rectify
apparent
mistakes**

39. The Competent Authority may, at any time within 6 (six) months from the date of the order passed by him in exercise of the powers conferred on him by these rules, on his own motion rectify any mistakes or error detected in the order passed by him. Also within the like period, he shall rectify any mistake or error which has been brought to his notice by an application for grant of a mining lease. Provided that no order prejudicial to any person shall be passed unless he has been given a reasonable opportunity for stating his case.

**Pending
application
for mining
permit**

40. Application for the grant or renewal of the mining permits/leases pending at the commencement of these rules shall be disposed of in accordance with the provisions of these rules.

Revision suo-moto

41. The Competent Authority may either suo-moto at any time or on an application made within 60 (sixty) days, call for and examine the record relating to any order passed or proceedings taken by his sub-ordinate, the Competent Authority under these rules for the purpose of satisfying himself as to the legality of property of such order or as to the regularity of such proceeding and pass order in reference there from as he deems fit.

**Challans,
registers,
returns and
signboard**

42. (1) Every lease or permit holder who intends to despatch minor minerals by rail, road or river shall provide challan in Form - O to carriers who shall produce the same on demand by the Competent Authority or Mining Officer authorized by him.
- (2) Every lease or permit holder shall maintain a Register in which day-to-day transaction shall be entered and shall be subject to verification by the Competent Authority or Mining Officer authorized by him.
- (3) Every lessee or permit holder shall submit every month to the Competent Authority or his authorized Mining Officer a true and correct return for minor minerals in Form -H by the 15 (fifteenth) day of the following month to which it relates.
- (4) Every lessee or permit holder shall give all reasonable facilities to the Competent Authority or any other Officer authorized by him in this behalf to inspect, verify and check the account of a minerals.
- (5) If the accounts, returns and other evidence product by the lessee/ permit holder or any other person who has remove minor minerals are, in the opinion of the Officer authorized under sub-rule(2), incorrect, incomplete or unreliable either wholly or partly, the Officer concerned shall report to the Competent Authority who shall proceed to the decision of the Competent Authority shall be final.
- (6) Every lease or permit holder who intends to despatch minor minerals by rail, road or river shall provide challan in Form - O to the consumer who has made the purchase of the minor minerals.

**Penalty
for failure
to furnish
documents**

43. Should any lessee permit holder or his transferee or assignee or fail to furnish the documents required to be maintained under these rules or refuse entry for inspection by the Competent Authority or Mining Officer of the department or any other Officer authorized by the Competent Authority, he shall be punishable with simple imprisonment for a term which may extend to the 3 (three) months or with fine which may extend to two thousand rupees or both.

**Penalty for
filling wrong
returns or
maintaining
incorrect
account or
for failure to
issue challan**

44. (1) If any lessee or permit holder files wrong returns or maintain incorrect accounts or fail to issue challans, he shall be liable to a penalty of a sum of three thousand rupees and also liable to have his mining lease terminated or mining authority, he shall be given a reasonable opportunity of showing cause against the same.
- (2) If any lessee or permit holder fails to file the return as specified in sub-rule(3) of rule 42 within the prescribed period, he shall be liable to pay as penalty of Rs. 20 (Rupees Twenty) only for every day after expiry of the prescribed date during the period the lessee or period holder fails to furnish the required form.

Penalty

45. (1) If any driver of any carrier carrying minor minerals fails to furnish the challan in Form - O or refuses inspection of such challan by the Competent Authority or Mining Officer authorized by him he shall be punished with simple imprisonment which may extend to Rs.10000 (Rupees ten thousand) only or with both.
- (2) Whoever removes or purchases minor minerals without valid lease/ permit or on whose behalf such removal is made otherwise in accordance with these rules, he shall be presumed to be a party to illegal removal of the minor mineral and shall be liable to pay royalty or penalty which may extend up to four times the rate of royalty specified for the minor mineral in the Second Schedule without prejudice to other action taken against him under these rules or any other law for the time being in force.

**Compounding
of offence**

46. The Mining Officer with the approval of the Competent Authority may compound a case instituted against any person.

Exemptions

47. Notwithstanding contained in these rules, no rent, royalty or fee shall be charged for:-
- (a) extraction of minor minerals from private lands of which has been granted, when such extractions are not done for the purpose of sale, but are required bonafide personal requirement by the owner of such private land;
- (b) extraction of ordinary clay by artisans for making earthen pots, earthen images, etc., on cottage industry basis;

Provided that the aforesaid exemptions do not afford immunity from any action which might be taken under the provision of any existing rules or Acts of the State or Central Government for unauthorized

removal of minor minerals from any Government land by private persons without the permission of the Competent Authority or the State Government or any officer authorized by it on this behalf.

**Restriction
on use of a
ny particular
minor mineral
deposit**

48. (1) No minor mineral deposit of a particular area shall be used for non-industrial purposes when the same is useful for better exploitation in industrial decorative or architectural purposes.
- (2) To exploit minor mineral deposit of a particular area, the area Divisional Forest Officer, shall consult the Head of Geology and Mining Department /Wing regarding the suitability of use of that particular minor mineral deposit prior to its exploitation.
- (3) For the purpose of specifying the uses of minor mineral deposit of a particular area, the Head of Geology and Mining Department /wing will be the Component Authority to examine and prescribe the uses of that particular minor mineral deposit according to its suitability and his decision in this regard shall be final.

**District mineral
foundation**

49. (1). In any district affected by mining related operations, the State Government shall, by notification, establish a trust as a non profit body, to be called the District Mineral Foundation Trust.
- (2). The object of the District Mineral Foundation Trust shall be to work for the interest and benefit of persons and areas affected by mining related operations in such a manner as may be prescribed by the State Government.
- (3). The composition and functions of the District Mineral Foundation Trust shall be such as prescribed by the State Government.
- (4). The holder of a mining lease shall, in addition to royalty, pay cess to the District Mineral Foundation of the district in which the mining operations are carried on, one percent of the royalty paid in terms of Second Schedule or as may be prescribed by the State Government from time to time.

Repeal and saving

50. (1) All rules or executive instructions on the subject in force within the State of Sikkim including the rules for quarrying or the collection of minor minerals from forest and non-forest areas contained in any Forest rules of Sikkim immediately before the commencement of these rules are hereby repealed.
- (2) Notwithstanding such repeal, any action taken under these rules or instructions so repealed shall be deemed to have been taken under the corresponding provision of these rules.

D.P. Sharma, IAS
Commissioner-cum-Secretary
Mines, Minerals and Geology

FIRST SCHEDULE

LIST OF MINOR MINERALS

(See rule 5 and sub- rule (1) of Rule 6)

1. BUILDING STONE INCLUDING GRANITE / SQUARED STONE

When mined for the purpose of polished tiles, slabs and other decorative and architectural purposes.

OR

When mined in large scale for export of the stone in the form cubes, slabs, boulder or gravel and for construction of dams, dykes, bridges etc.

2. GRAVEL

3. ORDINARY CLAY

4. ORDINARY SAND OTHER THAN SAND USED FOR PRESCRIBED PURPOSES.

Sand not be treated as minor minerals when used for certain purposes. Sand shall not be treated as minor mineral when used for any of the following purposes:-

- (i) purposes of refractory and manufacture of ceramic;
- (ii) metallurgical purposes;
- (iii) optical purposes;
- (iv) purposes of stowing in mines;
- (v) for manufacture of silvicrete cement;
- (vi) for manufacture of sodium silicate;
- (vii) for manufacture of pottery and glass;

5. BOULDER

6. SHINGLE

7. CHALCEDONY OR IMPURE QUARTZ, PEBBLES used for ball mill purposes or filling for bore wells or for decorative purposes in buildings.

8. LIMESTONE (KANKAR) When used in kilns for manufacture of limes used as building materials.

9. LIMESTONE (MURRAM)

10. BRICK- EARTH

11. FULLER'S EARTH

12. BENTONITE

13. SLATE

14. SHALE

15. MARBLE

16. QUARTZITE AND SANDSTONE When used for purposes of building or for road metal and household utensils.

17. SALTPETRE

SECOND SCHEDULE

(See rule 16 and 28)

Rates of Royalty

<u>Sl.No.</u>	<u>Name of Minor Mineral</u>	<u>Rates of royalty</u>
1.	Building stone including granite/ squared stone	Rs. 620.00 per 100 CFT
2.	Gravel	Rs. 160.00 per 100 CFT
3.	Ordinary clay	Rs. 23.00 per 100 CFT
4.	Ordinary sand other than used for prescribed purposes	Rs. 95.00 per 100 CFT
5.	Boulder	Rs. 80.00 per 100 CFT
6.	Shingle	Rs. 160.00 per 100CFT
7.	Chalcedony or impure quartz pebbles	Rs. 169 per 100 CFT
8.	Limestone (kankar)	Rs. 184.00 per 100CFT
9.	Limestone (murram)	Rs. 184.00 per 100CFT
10.	Brick earth	Rs. 23.00 per 100 CFT
11.	Fullers earth	Rs. 42.00 per 100CFT
12.	Bentonite	Rs. 57.00 per 100CFT
13.	Slate	Rs. 23.00 per 100 CFT
14.	Shale	Rs. 23.00 per 100 CFT
15.	Marble	Rs. 200.00 per 100 CFT
16.	Quartzite and sandstone	Rs. 200.00 per 100CFT
17.	Salt petre	Rs. 23.00 per 100CFT

THIRD SCHEDULE

DEAD RENT

(clause (e) of sub-rule (1) of rule 16)

Period of the quarry lease	Rate of dead rent per Hectare per annum
1. First year of the lease	Nil
2. Second year onwards	Rs. 10,000.00

FROM - A
APPLICATION FOR MINING LEASE

{See – sub rule (1) of rule (6)}

(To be submitted in duplicate)

Received at (place)

At(hour)

On(date)

Initial of Receiving Officer

To,

.....
.....
.....

Sir,

1. I/We request that a mining lease under the Sikkim Minor Minerals Concession Rules 2016 may be granted to me/us

2. A sum of Rs. 500/- being the fees in respect of this application and Rs. 500/- in respect of preliminary expenses respectively payable under clause (a) and clause (c) of sub-rule (2) of rule 6 of the said rules have been deposited in the Government Treasury (vide challan no.....date.....of.....Treasury

3. The required particulars are given below:-

- (a) Name of the applicant and address;
- (b) Is the applicant Individual/Private Company/Public Company / Public Sector Undertaking/ Co-operative Society/Firm or an Association/Joint Sector Undertaking or any other;
- (c) In case the applicant is
 - (i) an individual, his nationality, qualification and permanent residency;
 - (ii) a private company, its place of registration and copy of certificate of incorporation, and nationality of the members/Board of Directors of the company

- (iii) a public company, its place of incorporation and copy of the certificate of incorporation and nationality of its Directors;
 - (iv) a firm or association, the nationality of all the partners of the firm or members of the association;
 - (v) a co-operative society, the nationality of its members, its place of registration and a copy of the certificate of registration.
 - (d) Profession or nature of business of the applicant
4. Particulars of documents appended:
 - (a) Mining dues clearance certificate; or
 - (b) Affidavit in lieu of mining due clearance certificate subject to the production of mining dues clearance within 90 (ninety) days of making application; or
 - (c) Affidavit when not holding any mining lease.
 5. Minerals which the applicants intends to mine.
 6. Period for which mining lease is required.
 7. Extent of the area in respect of which mining lease is required.
 8. Details of the area in respect of which mining lease is required.

District	Block	Village	Plot No	Areas	Ownership, Occupancy

9. In case the area applied for lease is under forest, then the following particulars are to be given:
 - (a) Forest Division, Block and Range;
 - (b) Legal status of the forest, whether reserved;
 - (c) Whether it forms part of a National Park or Wildlife Sanctuary;
 - (d) Type and extent of vegetation in the area;
10. A sketch plan should be submitted on scale showing the following :
 - (a) the area applied for lease together with boundary, if any , of any other existing / mining lease in case the area applied for, has any common point or line with the boundaries of existing quarry lease;
 - (b) the dimensions of the lines forming the boundary area and the bearing and distance of all corner points from any important , prominent and fixed point or points;
 - (c) all important surface and natural features (namely roads, railways, wells, religious places cremation grounds, Government establishment, streams etc)
11. Particulars of the areas mineral-wise in each district the application or any person joins in interest with him
 - (a) already hold under quarry lease;

(2) particular of the mining lease of which renewal is desired:

(3) details of previous renewal granted, if any:

- (f) Period for which renewal of quarry lease is required:
- (g)
 - (1) the area applied for
 - (2) description of the area applied for renewal
- (h) If not, "No Objection Certificate" for undertaking mining operation has to be obtained from the owner/occupier/ in writing and be filed;
- (i) Particular of the area mineral -wise in each district the applicant or any other person joined in interest with him;
 - (1) already holds under mining lease
 - (2) has already applied for but not granted;
 - (3) being applied for simultaneously

4. A mining plan to the scale to be attached with the application. The plan should incorporate the following;

- (a) the plan of the areas applied for showing location, boundaries, natural water courses, forest areas; assessment of impact of mining activity on forest, land surface and environment including air water pollution;
- (b) the spot or spots where the excavation is to be done in the first year and its extent; a tentative scheme of mining year-wise for the subsequent years of the lease period;
- (c) method of mining, i.e. the extent of manual mining and/or extent of mining by use of machinery and mechanical devices;
- (d) the detail of scheme for restoration of the area's afforestation, land reclamation, use of pollution control devices.

5. Any other particulars which the applicant wishes to furnish

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans and security deposits as may be required by you.

Place:

Yours faithfully,

Date:

Signature of applicant

Note: If the application is signed by an authorized agent of the applicant, when the power of attorney should be attached.

FORM - C

RECEIPT OF APPLICATION FOR MINING LEASE OR RENEWALS

(see sub-rule (3) of rule 7)

Sl. No.....

Date.....

Received the application with the following enclosures for Mining Lease/Renewal of Lease
of Shri/Smt.....at.....(hour)on.....
20.....for about..... hectares of land located in Village/Block/ Forest
Range.....Block.....District
..... for mining the minor minerals.

Enclosures :

Place:

Signature & Designation

Date:

of Receiving Officer

FORM - D**REGISTER OF APPLICATION FOR MINING LEASE.**

(see sub-rule (3) of rule 7)

Sl. No.	Date of application for mining lease	Time and date on which application was received by the receiving officer	Name of the applicant with complete address	Particulars of the minor minerals which the applicant desires to mine	Estimated area of the land applied for lease	Situation and boundaries of the land applied to
1	2	3	4	5	6	7

Name of Village Mouza (or Forest Range	Plot Nos & Dag. Nos.	Application fee paid and preliminary expenses deposited	Final disposal of application together with no. % order	Remarks	Signature of the officers
8	9	10	11	12	13

FORM - E

REGISTER OF MINING LEASES

(see rule 26)

SI No	Name of the lesseewith complete	Date of applicati on	Date of which application was received by the receiving officer	No. & Date of grant of lease with referances	Mineral for which lease has been granted	period for which lease has been granted	Date of executio n of lease deed	Total area for which lease has been granted
1	2	3	4	5	6	7	8	9

Situation on the land i.e. district mouza village forest range where applica cable etc.	Dag No. with area	Minerals added to the lease with date	Date and period of renewal	Date of change together with details of change that take place in name and other particular of the holder of mining lease	Date of assignment or transfer of lease if any, and the name and address of the assignee/transferee	Date of expiry or reli nguish ment or cancella tion	Re marks	Signature of the officers
10	11	12	13	14	15	16	17	18

FORM 'F'

[See sub-rule (1) of rule 18]

FORM OF MINING LEASE FOR MINOR MINERALS

This indenture made this _____ day of _____ between the Governor of Sikkim acting through _____ (hereinafter referred to as the 'Government' which expression shall, where the context so admits, include the successors and assignees) of the one part and

(1) When the lessee is an individual

Of _____
Name of person
(Address and occupation)

(herein after referred to as the "lessee" which expression shall where the context so admits, include this heirs, executors, administrators, representatives and permitted assignees)(1)

(2) When the lessee are more than one individual

Of _____
(Name of person)
(Address and occupation)

And _____
(Name of person)
Address and Occupation

Of _____
Name of person

Of _____
Address and occupation

(here inafter referred to as the "lessees" which expression shall where the context to admits, include their respective heirs, executors, administers, representatives, and permitted assignees)(2)

(3) When the lessee is a firm

Of _____
(Name of person)
(Address)

And _____
(Name of person)

Of _____
(Address)

And _____
(Name of person)

Of _____
(Address)

All carrying on business in partnership at _____ (address of the firm) under the name and style of _____ (Name of the firm)(hereinafter referred to as the "lessees" which expression shall when the context so admits, include all the partner of the said firm, their representatives, heirs, executors, administrators and permitted assignees)(3)

(4) When the lessee is a registered company

(Name of company)

a company registered under _____ (Act under which) incorporated and having its registered office at _____ (address) (hereinafter referred to as the "lessee" which expression shall where the context so admits, include its successors and permitted assignees)

(5) _____ of the other part.

Whereas the lessee/lessees has/have applied to the Government in accordance with the Sikkim Minor Mineral Concession Rules, 2016 (hereinafter referred to as the 'said Rules') for a mining lease for _____ in respect of the lands hereinafter described in clause (b) and has/have deposited with the Government the sum of Rs. 2000 as security. And whereas the lessee is in possession of a valid certificate of approval and income-tax clearance certificate.

1. (a) in consideration of the rents and royalties, covenants and agreements hereinafter contained and on the part of the lessee/lessees to be paid, observed and performed, the Government hereby grants and demises unto the lessee/lessees, all those mines/beds veins/seams of _____ (hereinafter referred to as the 'said minor minerals') situated, lying being in or under the lands which are referred to in clause (b) together with the liberties, powers and privileges to be executed or enjoyed in connection herewith which are hereinafter mentioned in Part I subject to the restrictions and conditions and to exercise and enjoyment of such liberties, power and privileges which are hereinafter mentioned in Part II and subject to other provisions of the lease.

(b) The area of the said land is as follows:-

All that tract of land situated at _____ in Tehsil _____
District _____ bearing Khasra Nos. _____
_____ containing an area of _____
_____ or thereabouts, delineated on the plan hereto annexed and bounded as follows:-

On the North by _____

On the South by _____

On the East By _____

On the West by _____

(hereinafter referred to as the 'said lands' or the 'leased area')

(c) The lease/lessees shall hold the premises hereby granted and demised from the _____ day _____ for the term of _____ years hence next ensuing.

PART I

LIBERTIES, POWER AND PRIVILEGES TO BE EXERCISED AND ENJOYED BY THE LESSEE(S)

The following liberties, powers and privileges may be exercised and enjoyed by the lessee/lessees subject to other provision of this leases:

1. ***To enter upon land and search for win, work etc.-*** Liberty and power at all times during the term hereby demised to enter upon the said lands and to search for mine, bore, dig, drill for win work, dress, process, convert, carry away and dispose of the said minor minerals.
2. ***To sink drive and make pit, shafts and incline, etc.-*** Liberty and power for or in connection with any of the purposes mentioned in this clause to sink, drive, make, maintain and use in the said lands and pits, shafts, inclines, drifts, levels, water ways, airways, and other works (and to use, maintain, deepen, or extend any existing works of the like nature in the said lands).
3. ***To bring and use machinery equipment-*** Liberty and power for or in connection with any of the purposes mentioned in this clause to erect, construct, maintain and use on or under the said lands any engine, machinery, plant, dressing floors, furnaces, coke ovens, brick-kilns, workshops, store-house-bungalow, godowns, shed and other building and other works and conveniences of the like nature on or under the said lands.
4. ***To use water from stream, etc.-*** Liberty and power for or in connection with any of the purposes mentioned in this clause but subject to the right of any existing or future lessees and with the written permission of the Collector to appropriate and use water from any stream, water course, springs or other source in or upon the said lands and to divert, set up or dam any such water course and collect or impound any cultivated land, village buildings or watering places for livestock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any streams or springs.

Provided that the lessee/lessees shall not interfere with navigation in any navigable stream nor shall divert such stream without the previous written permission of the Government.
5. ***To fell undergrowth and utilize timber and trees, etc.-*** Liberty and power for or in connection with any of the purposes mentioned in this lease deed, to clear undergrowth and brush-wood. Lessee/lessees shall not fell any trees or timber standing or found on the said lands without obtaining prior permission in writing from the Collector of the District or the Chief Conservator of Forests in case of forest areas as the case may be. In case such permission is granted, he shall pay in advance, the price of the trees/timber to be felled to the said officer at the rates, fixed by him.
6. ***To get building and road materials, etc.-*** Liberty and power for or in connection with any of the purposes, mentioned in this lease deed, to quarry and get stones, gravel and other building and road materials and ordinary clay and to use and employ the same and to manufacture such clay into brocks or tiles and to use such brocks, tiles but not to sell any such material, bricks, titles.
7. ***To use land for stacking purpose-*** Liberty and power to enter upon and use a sufficient part of the surface of the said lands for the purposes of stacking, storing or depositing therein any produce of the mines and works carried on and tools, equipment and other materials needed for mining operations.

PART II

RESTRICTION AS TO THE EXERCISE OF THE LIBERTIES BY THE LESSEE

The liberties, powers and privileges granted under Part I, are subjected to the following restrictions and subject to the other provisions of this lease:-

1. **No mining operations within the limit of Public Works, etc.** - The lessee shall not carry on, or allow to be carried on any mining operation at any point within a distance of 60 metres from the bridges or 60 metres from National Highway or 50 metres from any reservoir, tank, canal, roads or other public works or buildings or inhabited sites except under and in accordance with the previous permission of the Government. The Government may in granting such permission, impose such conditions as it may deem fit, provided that except in cases of sand, no mining operations shall be carried on within 50 metres of any river banks.
2. **Permission for surface operation in land not already in use-** Before using for surface operations any land which has not already been used for such operations the lessee/lessees shall give to the Collector of the District, The Secretary of Mines, Minerals & geology Department, and the Mining Officer two calendar months, previous notice in writing specifying the situation and the extent of the land proposed to be so used and the purpose for which the same is required and the said land shall not be so used, if objection is issued by the Collector within two months after receipt by him of such notice unless the objections so state shall on reference to the Government, be annulled or waived.
3. **Not to use the land for other purposes-** The lessee/lessees shall not cultivate or use that land for purpose other than those specified in the lease deed.

PART III

CONVENANTS OF THE LESSEE

The lessee/lessees hereby covenant(s) with the Government as follows:-

1. **Rate of royalty** -(a) The lessee/Lessees shall pay royalty on the quantity of the said minor mineral dispatched from the leased area at the following rate specified in the First Schedule.

(b) **Mode of determination of sale price at the pit's mouth** - The sale price of the minor mineral at the pits mouth shall be the current market price for the mineral of the same grade less-
 - (i) transport charges from the mine head to the nearest road head.
 - (ii) roadway freight from the road head to the market, and
 - (iii) estimated handling charges and other incidental expenditure not exceeding 5 percent of the market price.
(c) For calculating the royalty, the lessee/ lessees shall report quarterly in Form - I by the 15th April, 15th July, 15th October, 15th January for the preceding quarters ending on 31st March, 30th September and 31st December respectively
2. **Surface rent** - The lessee/lessees shall pay for the surface area occupied by him/them, surface rent at the rate of Rs.per acre per annum.
3. **Dead rent** - The lessee/lessees shall also pay for every year, yearly dead rent at the rate of Rs.per annum, and if the lease permits the working or more than one minor

mineral in the same area, the Government may charge separate dead rent in respect of each minor mineral.

Provided that the mining of one minor mineral does not involve the working of another minor mineral.

Provided further that the lessee/lessees shall be liable to pay the dead rent or royalty in respect of each mineral, whichever be higher but not both.

4. Working of newly discovered minerals - If any minor mineral, not specified in the lease, is discovered in the leases area, the lessee shall report the discovery without delay to the Government and shall not win or dispose for such minor mineral without obtaining for such a lease within 6 month from the discovery of the minor mineral, the Government or the authorized Officer may give the lease in respect of such mineral to any other person.

5. To commence mining operations within two months and carry them on properly - Unless the Government for sufficient cause permits otherwise, the lessee shall commence mining operations within two months, from the date of execution of the lease and shall thereafter conduct such operations in a proper skilful and workman like manner.

Explanation - For the purpose of this clause "Mining Operation" shall include the erection of machinery, lying of a tramway or construction or a road in connection with working of the mine.

6. To erect and maintain Boundary Pillars etc - The lessees, shall at his own expenses, erect and at all times maintain and keep in good repairs marks and pillars according to the plan annexed to the lease.

7. Accounts - The lessee shall keep correct accounts showing the quality and other particulars of all minerals obtained from the mines and the number of persons employed therein and a complete plan of the mine and shall allow any Officer authorized by the Government of Sikkim or the Central Government in that behalf to examine at any time any accounts and records maintained by him, and shall furnish to the Government of Sikkim or the Central Government with such information and returns as it may require.

8. To allow facilities to other lessee, etc. - The lessee shall allow existing and future licensees or lease holders/contractors of any land which is comprised in or adjoins or is reached by the land, held by the lessee, reasonable facilities for access thereto.

9. To allow entry to Officers - The lessee shall allow any Officer authorized by the Government of Sikkim and the Central Government to enter upon any building, excavation or land comprised in the lease for the purpose of inspecting the mines.

10. Returns - The lessee shall-

- (a) submit a return in Form 'H' by the 10th of every month to the Secretary and also to other Officer(s), specified in that form giving the total quantity of minor minerals(s) raised and dispatched from the lease for the purpose of inspecting the mines.
- (b) also furnish a statement giving information in Form 'J' by the 20th April every year to the Secretary and other officer, specified in that form regarding quantity and value of minor mineral(s) obtained during last financial year, average number of regular labourers employed (men and women separately) number of accidents, compensation paid and number of days worked, separately.

11. ***To strength and support the mines*** - The lessee shall strengthen and support to the satisfaction of the State Government, any part of the mine which in its opinion requires such strengthening or support for the safety of any bridge, national highway, reservoir, tank, canal, road or any other public work building.

12. ***Mode of payment of royalty/dead rent and surface rent*** - The lessee/lessees shall pay in the office of the Officer authorized by the Secretary, Mines, Minerals & Geology Department, Government of Sikkim, in this behalf dead rent/royalty and surface rent in to half yearly installments on the 15th April and 15th October each year during the subsistence of the lease.

13. ***Maintenance of Sanitary conditions*** - The lessee/lessees shall maintain sanitary conditions in the area held in by him/them under the lease.

14. ***To pay compensation for damage and indemnify the Government*** - The lessee/lessees shall make and pay such reasonable satisfaction and compensation for all damage, injury or disturbance which may be done him/them in exercise of the powers granted by the lease and shall indemnify the Government against all claims which may be made by third parties in respect of such damage, injury or disturbance.

15. ***Abiding by Rules*** - The lessee/lessees shall abide by all existing Acts and Rules enforced by the Government of India or the Sikkim Government and all such other Acts or Rules as may be enforced from time to time in respect of working of the mine and other matters affecting safety, health and convenience of the employees of the lessee/lessees or of the public.

16. ***To report accident*** - The lessee/lessees shall without delay report to the District Collector of the District concerned and the Secretary or the Mining Officer authorized by him, any accident which may occur at or in the leased area.

17. ***Delivery of possession of land and Mines on the surrender or sooner determination of the lease*** - At the end or sooner determination or surrender of the lease. The lessee/lessees shall deliver up the said lands and all mines (if any dug therein) in a proper and workable state, save in respect of any working as to which the Government might have sanctioned abandonment. The lessee/lessees shall be required to submit the certificate of compliance from the concerned District Collector for the same.

18. ***To provide weighing machine*** - The lessee/lessees shall provide and at all the times keep at or near the pit head at which the said mineral shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or caused to be weighed thereon all the said minor minerals from time to time brought to bank sold, exported and converted products, and shall at the close of each day cause the total weights, ascertained by such means of the said minor minerals, ores, products, raised, sold, exported and converted during the previous twenty-four hours to be entered in the aforesaid books of accounts. The lessee/lessees shall permit the Government at all times during the said term to employ, any person or persons to be present at the weighing of the said minor minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the Lessee/Lessees. The Lessee/Lessees shall give 15 days previous notice in writing to the Mining Officer of every such measuring or weighing in order that he or some Officer on his behalf may be present there at.

19. ***To secure pits, shafts not fill them up*** - The lessee/lessees shall well and properly secure pits and shafts and will not without permission in writing willfully close, fill up or choke any mine or shaft.

(c) The rights conferred by this clause shall be without prejudice to the rights conferred on the State Government by any other provision of this lease or by any law.

(d) On such date as the Government may elect within twelve calendar month after the determination of this lease or any renewal thereof, the amount of security deposit paid in respect of this lease and then remaining in deposit with the Government and not required to be applied to any of the purposes mentioned in this lease shall be refunded to the lessee/lessees. No interest shall run on the security deposit.

6. Survey and demarcation of the area - When a mining lease is granted by the Government arrangements shall be made, if necessary, at the expensed of the lessee, for the survey and demarcation of the area granted under the lease. The lessee shall have to bear actual expenses of the staff deputed for the work. Actual expense will include traveling allowance and daily allowances and salary of staff plus 10 percent as instruments charges.

7. Right of lessee/lessees to determine the lease - The lessee may determine the lease at any time by giving not less than six calendar months' notice in writing to the Government after paying all outstanding dues of the Government.

IN WITNESS WHEREOF these presents have been executed in the manner hereunder appearing the day and year first above written.

Witnesses

1.

2.

For and on behalf of the

Governor, Sikkim.

FORM - H
MONTHLY RETURN OF MINOR MINERAL/MINERALS RAISED

(see sub-rule (3) of rule 42)

1. Name of the lessee with address :

2. Location of the lease hold

(a) Village :

(b) Rural Development Block :

(c) Sub-Division :

(d) District :

3. Area of the lease hold :

4. Return for the month of :

Name of the Minor Mineral	Area of the lease hold (in hectares)	Opening stock as on the first day of the month (in tonnes)	Mineral raised during the month (in tonnes)	Pits mouth value (Rs.)	Mineral dispatched during the month			
					By Rail		By Road	
					Qty (in tonnes)	Value (in Rs.)	Qty (in tonnes)	Value (in Rs.)
1	2	3	4	5	6	7	8	9

Total despatched during the month		Closing stock at the end of the month (in tonnes)	Man days worked	Manpower employed	REMARKS
Qty (in tonnes)	Value (in Rs.)				
10	11	12	13	14	15

Signature of the lessee or his authorized
agent/manager with official seal.

Note: The monthly return is to be submitted by the 10th day of each month for the month
preceding it concerned Mining Officer.

FORM OF PERMIT FOR MINOR MINERALS TO BE ISSUED UNDER THE SIKKIM MINOR
MINERAL CONCESSION RULES, 2016